

GROSS FRAUDS REPORTED

THE ARMOR-PLATE SCANDAL.

FINDINGS OF THE HOUSE COMMITTEE
ON NAVAL AFFAIRS

A RESOLUTION FOR THE CONTINUATION OF THE

INVESTIGATION ACCOMPANIED THE REPORT
AND WAS PASSED—MONEY COMPENSA-
TION DECLARED TO BE AN IN-
ADEQUATE ATONEMENT
FOR SUCH WRONGS.
[BY TELEGRAPH TO THE TRIBUNE.]

Washington, Aug. 23.—Chairman Cummings, of the House Committee on Naval Affairs, to-day submitted a preliminary report on the alleged frauds in the manufacture of armor plate by the Carnegie Steel Company. The report was accompanied by a joint resolution directing the Secretary of the Navy to cause certain suspected plates to be detached from the Terror, the Monterey, the Oregon and several other ships, and subjected to ballist testing by the Bureau of the Government. This is held to be necessary in order that the Committee on Naval Affairs may be placed in possession of all the facts and information which it is required by the resolution of

The House obtain. The report and resolution. It is understood, were unanimously approved by both the sub-committee and the full Committee on Naval Affairs, and the resolution was adopted by the House without a division.

Before the vote was taken, however, Chairman Cummings and William A. Stone, of Pennsylvania, engaged in a wordy duel, in which both became more excited than the occasion warranted. Mr. Stone appeared to be surprised because there was no opposition to the resolution, and Mr. Cummings thought he was repeatedly informed by Mr. Cummings that the report submitted was unanimous, and his statement was corroborated by General Henderson, of Iowa.

who had relayed his information from Mr. Wadsworth, of New-York, who is a member of the sub-committee, and who was unavoidably absent to-day.

THE PRESIDENT'S INDEFENSIBLE ACT.

The preliminary report is an exhaustive review of the testimony taken by the sub-committee, and seems fairly to support most of the conclusions, as it clearly does the recommendations of the committee that a number of the plates, which are strongly supposed to be defective, should be submitted to a firing test. In the light of this report, and the testimony upon which it is based, the action of President Cleveland in remitting a large part of the fine which the Ordnance Board recommended to be imposed

upon the Carnegie Company appears to be neither indefensible than ever, and also more inexplicable, unless even greater significance and importance than have ever before been given to it are attached to Mr. Carnegie's letter approving the Wilson Tariff bill, which was published in The Tribune two days before President Cleveland gave his decision on the appeal of the Carnegie Company from the findings of the Ordnance Board; and the recommendation of the Secretary of the Navy.

WHY HE WANTED SECRECY.

But in the light of the testimony and report it is rather easy to understand why the President was as anxious as was Mr. Carnegie to conceal the facts from the country, and why no hint

have redounded to the honor and credit of a "reform" Administration, was to be found in the annual report of the Secretary of the Navy, or the President's message to Congress, or in any official communication or admission whatever.

until months afterward, when the first information in regard to this scandal reached the country through the columns of The Tribune. Even then there were evasions and official half-denials, which, as the testimony has since shown, widely varied from the truth. It is not so difficult to see why this was so. President Cleveland never took the trouble to examine even a synopsis of the testimony taken by the Board of Officers and He seems to have relied wholly upon the ex-parte statements and briefs of Carnegie and Frick and their attorney, in behalf of the Carnegie Company, and, consequently, he was misled. He, therefore, permitted a large portion of the financial empire, in the judgment of Naval officers who had

Why? There is only one answer, and it is not to be found either in the report of the Sampson Board or the testimony taken by the Naval Committee of the House of Representatives, but in Andrew Carnegie's letter approving the Wilson Tariff bill.

FRAUDS WORTHY TO BE CALLED CRIMES

The Sub-Committee on Naval Affairs, after sifting the testimony (and it should be remembered that among the witnesses were Superintendent Fricke and his subordinates of the Carnegie Company), says:

If the criminality of a wrongful act is to be measured by the deliberation with which it is committed, the magnitude of the evils likely to result from its perpetration and the evil wanted to be accomplished, the frauds and swindles which your committee have found are worthy to be called crimes. The servants of the Carnegie Company, in these frauds, with or without the knowledge of the company) to increase their gains deliberately for six or seven months to commit acts whose nat-

ural and probable consequences would be the sacrifice of the lives of our seamen in time of war, and with them, perhaps, the dearest interests of the Nation. The company were hired to make the best possible armor plate and paid an enormous price for so doing. They were hired to make an armor that would stand the shots of an enemy, and upon which the Nation might rely in time of need. They

[illegible]

upon the ex parte statements of contractors whose acts had been shown to be tainted with fraud.

That part of the report which deals with the system of inspection and the performance of their duties by the inspectors acquits them of dishonesty, but at the same time sharply challenges the efficiency both of the system and the officers detailed to carry it out.

THE COMMITTEE'S REPORT.

Washington, Aug. 23.—After several months of careful inquiry into the charges affecting the integrity of the armor plate, bolts and other appurtenances furnished to the Government by the Carnegie Steel Company, the special committee to whom the work was delegated has finished its report, and it was laid before the House to-day. This special committee consisted of Mr. Cummings, of New York, chairman; Mr. Taibott, of Maryland; Mr. Money, of Mississippi; Mr. Dolliver, of Iowa, and Mr. Wadsworth, of New-York.

The report shows that the negotiations covered a period of two years and three months—from November 20, 1880, to February 23, 1883. The amount of armor plate contracted for was 3,978 tons, costing in the aggregate \$5,445,000.